

**STEPHEN D. SCHNETTLER, PLLC**

Certified Public Accountants

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Member  
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To the Board of Directors  
National Association of  
Agricultural Educators, Inc.  
Lexington, Kentucky 40546

Management is responsible for the accompanying financial statements of National Association of Agricultural Educators, Inc. (a nonprofit organization), which comprise the statement of financial position as of October 31, 2018 and the related statement of activities for the four months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in the Schedule of Actual vs. Budget, Convention Revenue and Expenses, and Case Program Revenue and Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Stephen D. Schnettler, PLLC*

November 16, 2018

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Financial Position

October 31, 2018

ASSETS

Cash on deposit	\$ 1,129,889
Investments - operating fund	728,220
Investments - life membership fund	253,761
Accounts receivable	432,622
Inventory	5,000
Prepaid expenses	248
Property and equipment - CASE	285
Property and equipment	<u>10,593</u>

TOTAL ASSETS \$ 2,560,618

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 108,957
Accrued leave payable	39,221
Other current liabilities	<u>8,351</u>

TOTAL LIABILITIES 156,529

NET ASSETS

Unrestricted net assets:	
Current operation	1,166,565
Board designated for special purposes	216,935
Temporarily restricted net assets	1,550
CASE Project	<u>1,019,039</u>

TOTAL NET ASSETS 2,404,089

TOTAL LIABILITIES AND NET ASSETS \$ 2,560,618

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Statement of Activities

For the Four Months Ended October 31, 2018

	<u>Unrestricted</u>				
	<u>Current</u>	<u>Board</u>	<u>Temporarily</u>	<u>CASE</u>	<u>Total</u>
	<u>Operations</u>	<u>Designated</u>	<u>Restricted</u>	<u>Project</u>	
Revenue, Gains and Losses					
Membership dues	\$ 350,635	\$ 2,160	\$ -	\$ -	\$ 352,795
Convention registration	-	-	-	-	-
Sponsorship and awards	10,750	-	-	-	10,750
Merchandise sales	4,171	-	-	-	4,171
Contributions	-	-	-	-	-
Net realized and unrealized					
gains (losses) on securities	(38,476)	-	-	-	(38,476)
Interest and dividends	4,287	-	-	-	4,287
FFA Foundation projects	45,920	-	-	-	45,920
CASE Program income	-	-	-	1,426,090	1,426,090
Other income	296,827	-	-	-	296,827
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses	674,114	2,160	-	1,426,090	2,102,364
Net Assets Released from Restrictions	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue, Gains and Losses and Reclassifications	674,114	2,160	-	1,426,090	2,102,364
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenses					
General expenses	308,928	-	-	-	308,928
FFA Foundation projects	331,158	-	-	-	331,158
CASE Program expenses	-	-	-	1,030,738	1,030,738
Convention expenses	30,388	-	-	-	30,388
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	670,474	-	-	1,030,738	1,701,212
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	3,640	2,160	-	395,352	401,152
NET ASSETS AT BEGINNING OF PERIOD	1,162,925	214,775	1,550	623,687	2,002,937
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF PERIOD	\$ 1,166,565	\$ 216,935	\$ 1,550	\$ 1,019,039	\$ 2,404,089
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SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 31, 2018

	<u>MONTH</u>	<u>MONTH</u>	<u>MONTH</u>	<u>YEAR TO DATE</u>	<u>YEAR</u>	<u>YEAR</u>
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>
<b>REVENUE</b>						
Member dues	\$ 96,400	\$ 34,023	\$ 62,377	\$ 346,495	\$ 408,280	\$ (61,785)
Corporate membership dues	2,250	1,250	1,000	6,300	15,000	(8,700)
Upper division scholarships	-	1,667	(1,667)	-	20,000	(20,000)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Foundation management fees	-	-	-	-	-	-
Interest and dividends	831	2,917	(2,086)	3,191	35,000	(31,809)
Net realized and unrealized gains (losses) on securities	(76,386)	-	(76,386)	(38,476)	-	(38,476)
Merchandise sales	168	500	(332)	4,171	6,000	(1,829)
Investment income, Life Fund	321	1,000	(679)	1,096	12,000	(10,904)
Contributions, Legislative Fund	-	-	-	-	-	-
Miscellaneous income	-	750	(750)	2,859	9,000	(6,141)
Scholarship raffle proceeds	-	-	-	-	-	-
Student teacher scholarship revenue	-	-	-	-	-	-
National Teach Ag Campaign	41,000	81,250	(40,250)	41,000	975,000	(934,000)
Teacher crisis fund	3,823	-	3,823	8,805	-	8,805
BFRDP Grant	-	-	-	-	-	-
AEM business manager stipend	-	333	(333)	-	4,000	(4,000)
Nat'l Agriscience Teacher Ambassadors	212,000	13,667	198,333	212,000	164,000	48,000
NPS National Ag Ed leadership dinner	-	352	(352)	-	4,225	(4,225)
CASE management fee	-	2,000	(2,000)	-	24,000	(24,000)
Council MMM management fee	-	417	(417)	-	5,000	(5,000)
Teach AG non-foundation revenue	250	-	250	1,683	-	1,683
FFA Foundation project - TTTK	-	5,467	(5,467)	-	65,600	(65,600)
FFA Foundation project - OPAP	-	1,252	(1,252)	-	15,025	(15,025)
FFA Foundation project - OMSP	-	1,298	(1,298)	-	15,580	(15,580)
FFA Foundation project - OT	-	1,298	(1,298)	-	15,580	(15,580)
FFA Foundation project - OYM	-	1,367	(1,367)	-	16,400	(16,400)
FFA Foundation project - Lifetime Achievement	-	410	(410)	-	4,920	(4,920)
FFA Foundation project - Outstanding Service Citation	-	-	-	-	-	-
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation upper division scholarships	-	-	-	-	-	-
FFA Foundation Agriscience Initiative	-	2,050	(2,050)	-	24,600	(24,600)
FFA Foundation NATAA/NAII	-	-	-	-	-	-
FFA Foundation project - XLR8	-	6,567	(6,567)	-	78,800	(78,800)
FFA Foundation communities of practice	-	5,600	(5,600)	4,920	67,200	(62,280)
FFA Foundation convention internet lounge	-	-	-	-	-	-
CASE program net income	50,797	-	50,797	395,352	-	395,352
Convention net income	11,481	5,996	5,485	51,842	71,950	(20,108)
<b>TOTAL REVENUE</b>	<b>342,935</b>	<b>172,056</b>	<b>170,879</b>	<b>1,041,238</b>	<b>2,064,660</b>	<b>(1,023,422)</b>
<b>EXPENSES</b>						
Salaries	38,128	32,500	5,628	144,663	390,000	(245,337)
Taxes and benefits	7,365	9,151	(1,786)	31,019	109,815	(78,796)
Computer service	1,300	1,667	(367)	6,100	20,000	(13,900)
Telephone	349	500	(151)	1,330	6,000	(4,670)
Accounting	1,200	1,367	(167)	3,300	16,400	(13,100)
Depreciation	338	333	5	1,352	4,000	(2,648)
Rent	-	838	(838)	-	10,050	(10,050)
Insurance	4,543	1,000	3,543	5,998	12,000	(6,002)
Legal	-	83	(83)	-	1,000	(1,000)
Office Supplies	1,051	1,083	(32)	5,014	13,000	(7,986)
Bank charges and investment fees	2,531	8	2,523	4,955	100	4,855
Printing, general	-	250	(250)	176	3,000	(2,824)
Staff training	-	83	(83)	-	1,000	(1,000)
Taxes and licenses	20	4	16	253	50	203
Membership and contributions	-	1,667	(1,667)	3,150	20,000	(16,850)
Travel, staff	4,734	2,917	1,817	7,733	35,000	(27,267)
Promotion and marketing	6,978	2,083	4,895	9,703	25,000	(15,297)

(Continued)

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of Actual vs. Budget

For the One and Four Months Ended October 31, 2018

	<u>MONTH</u>	<u>MONTH</u>	<u>MONTH</u>	<u>YEAR TO DATE</u>	<u>YEAR</u>	<u>YEAR</u>
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>\$VARIANCE</u>
Merchandise and diaries	172	417	(245)	3,854	5,000	(1,146)
Photocopying	-	8	(8)	-	100	(100)
Postage, general	715	667	48	2,657	8,000	(5,343)
Professional liability insurance	40,830	3,285	37,545	40,830	39,425	1,405
Public relations	218	83	135	218	1,000	(782)
Delmar scholarships	-	625	(625)	-	7,500	(7,500)
Travel, regional secretaries	-	1,500	(1,500)	6,422	18,000	(11,578)
Travel, board of directors	-	3,333	(3,333)	11,657	40,000	(28,343)
Nat'l Teach Ag Campaign	58,174	75,000	(16,826)	183,313	900,000	(716,687)
FFA Foundation project - TTTK	1,850	3,333	(1,483)	32,381	40,000	(7,619)
FFA Foundation project - OPAP	-	750	(750)	3,604	9,000	(5,396)
FFA Foundation project - OMSP	223	750	(527)	3,654	9,000	(5,346)
FFA Foundation project - OT	-	750	(750)	4,522	9,000	(4,478)
FFA Foundation project - OECT	-	750	(750)	3,658	9,000	(5,342)
FFA Foundation project - Lifetime achievement	335	208	127	1,340	2,500	(1,160)
FFA Foundation project - Outstanding service citation	-	-	-	1,340	-	1,340
FFA Foundation teacher workshop	-	-	-	-	-	-
FFA Foundation Regional Grants	-	-	-	-	-	-
FFA Foundation Agriscience Initiative	-	1,667	(1,667)	-	20,000	(20,000)
FFA Foundation XLR8	9,654	3,333	6,321	16,294	40,000	(23,706)
FFA Foundation convention internet lounge	-	-	-	-	-	-
NPS Ag Ed Leadership dinner	-	352	(352)	-	4,225	(4,225)
Upper division scholarships	-	1,667	(1,667)	-	20,000	(20,000)
TTTK	-	-	-	-	-	-
NATAA	4,582	10,833	(6,251)	68,852	130,000	(61,148)
Regional grants	-	-	-	-	-	-
NPS expense	-	417	(417)	-	5,000	(5,000)
Webinar expense	-	42	(42)	198	500	(302)
Teacher crisis fund	3,000	-	3,000	9,850	-	9,850
Communities of practice expense	-	3,167	(3,167)	-	38,000	(38,000)
Substitute teacher hire behinds	-	42	(42)	-	500	(500)
Website	-	1,500	(1,500)	1,500	18,000	(16,500)
NATAA stipends	500	-	500	12,200	-	12,200
BFRDP expense	-	-	-	-	-	-
BFPD contract labor	-	-	-	-	-	-
Credit card expense	1,014	333	681	4,036	4,000	36
Storage	-	-	-	-	-	-
Professional development	-	-	-	-	-	-
Ag ed opportunity fund	-	-	-	-	-	-
Miscellaneous	400	-	400	2,960	-	2,960
<b>TOTAL EXPENSES</b>	<u>190,204</u>	<u>170,346</u>	<u>19,858</u>	<u>640,086</u>	<u>2,044,165</u>	<u>(1,404,079)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 152,731</u>	<u>\$ 1,710</u>	<u>\$ 151,021</u>	<u>\$ 401,152</u>	<u>\$ 20,495</u>	<u>\$ 380,657</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.  
Schedule of Convention Revenue and Expenses  
For the One and Four Months Ended October 31, 2018

	<u>MONTH</u> <u>ACTUAL</u>	<u>MONTH</u> <u>BUDGET</u>	<u>MONTH</u> <u>\$VARIANCE</u>	<u>YEAR TO DATE</u> <u>ACTUAL</u>	<u>YEAR</u> <u>BUDGET</u>	<u>YEAR</u> <u>\$VARIANCE</u>
<b>REVENUE</b>						
Convention, registration	\$ -	\$ 10,583	\$ (10,583)	\$ -	\$ 127,000	\$ (127,000)
Convention, trade show	300	-	300	1,800	-	1,800
Convention, sponsorships - FFA Foundation	12,300	5,417	6,883	69,680	65,000	4,680
Convention, host state social	-	-	-	-	-	-
Convention, sponsorships	10,750	1,667	9,083	10,750	20,000	(9,250)
TOTAL REVENUE	<u>23,350</u>	<u>17,667</u>	<u>5,683</u>	<u>82,230</u>	<u>212,000</u>	<u>(129,770)</u>
<b>EXPENSES</b>						
Convention, plaques and trophies	-	167	(167)	-	2,000	(2,000)
Convention, printing	-	-	-	-	-	-
Convention, awards	4,800	750	4,050	10,160	9,000	1,160
Convention, miscellaneous	-	-	-	-	-	-
Convention, meal functions	-	125	(125)	-	1,500	(1,500)
Convention, promotion and marketing	4,134	417	3,717	6,433	5,000	1,433
Convention, postage and shipping	-	333	(333)	-	4,000	(4,000)
Convention, equipment rental	-	2,000	(2,000)	-	24,000	(24,000)
Convention, host state social	-	-	-	-	-	-
Convention, committee expense	-	379	(379)	1,340	4,550	(3,210)
Convention, sponsorships - FFA Foundation	-	4,583	(4,583)	-	55,000	(55,000)
Convention, travel/board of directors	-	1,917	(1,917)	7,377	23,000	(15,623)
Convention, staff travel	2,935	1,000	1,935	5,078	12,000	(6,922)
TOTAL EXPENSES	<u>11,869</u>	<u>11,671</u>	<u>198</u>	<u>30,388</u>	<u>140,050</u>	<u>(109,662)</u>
<b>NET INCOME (LOSS)</b>	<u>\$ 11,481</u>	<u>\$ 5,996</u>	<u>\$ 5,485</u>	<u>\$ 51,842</u>	<u>\$ 71,950</u>	<u>\$ (20,108)</u>

SEE ACCOMPANYING ACCOUNTANT'S REPORT

NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS, INC.

Schedule of CASE Program Revenue and Expenses

For the One and Four Months Ended October 31, 2018

	MONTH <u>ACTUAL</u>	MONTH <u>BUDGET</u>	MONTH <u>\$VARIANCE</u>	YEAR TO DATE <u>ACTUAL</u>	YEAR <u>BUDGET</u>	YEAR <u>\$VARIANCE</u>
<b>REVENUE</b>						
CI fees	\$ 1,100	\$ -	\$ 1,100	\$ 478,307	\$ -	\$ 478,307
Vendor - Vernier	235,463	-	235,463	701,171	-	701,171
Vendor - NewByte	1,219	-	1,219	3,198	-	3,198
Vendor - Bio-Rad	-	-	-	-	-	-
Field test fees	-	-	-	-	-	-
NRES	-	-	-	-	-	-
APT	-	-	-	5,640	-	5,640
ASP	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	3,541	-	3,541
ABF	-	-	-	62,500	-	62,500
ARD CI Revenue	1,800	-	1,800	7,200	-	7,200
Capstone Revenue	-	-	-	-	-	-
Royalty - Cengage	13,816	-	13,816	87,764	-	87,764
Royalty - Ward's	-	-	-	-	-	-
FSS revenue	-	-	-	-	-	-
MidSch	57,400	-	57,400	57,400	-	57,400
G.W. Publications	-	-	-	2,017	-	2,017
Online	2,543	-	2,543	15,814	-	15,814
Merchandise	-	-	-	88	-	88
Replacement CD	350	-	350	1,450	-	1,450
<b>TOTAL REVENUE</b>	<b>313,691</b>	<b>-</b>	<b>313,691</b>	<b>1,426,090</b>	<b>-</b>	<b>1,426,090</b>
<b>EXPENSES</b>						
Council assessment	-	-	-	-	-	-
Travel	-	-	-	9,311	-	9,311
Travel - staff	3,002	-	3,002	14,928	-	14,928
Salary	7,606	-	7,606	30,006	-	30,006
Taxes and benefits	306	-	306	1,226	-	1,226
Contract labor	42,779	-	42,779	150,929	-	150,929
Supplies	-	-	-	108	-	108
Merchandise	-	-	-	-	-	-
Promotion	2,223	-	2,223	4,000	-	4,000
Printing	200	-	200	200	-	200
Postage	848	-	848	1,352	-	1,352
Telecommunications	-	-	-	-	-	-
Management fee	-	-	-	-	-	-
Vernier	197,358	-	197,358	612,815	-	612,815
NewByte	946	-	946	1,600	-	1,600
Bio-Rad	-	-	-	-	-	-
Lead teacher orientation	-	-	-	-	-	-
Lead teacher stipends	-	-	-	89,600	-	89,600
Field test	-	-	-	-	-	-
Institute expense	-	-	-	156	-	156
PD-STEP 18	-	-	-	17,842	-	17,842
NRES	-	-	-	-	-	-
FSS	-	-	-	-	-	-
APT	-	-	-	4,716	-	4,716
ARD	-	-	-	-	-	-
ESI	-	-	-	-	-	-
MSA	-	-	-	15,886	-	15,886
ABF	-	-	-	-	-	-
ARDCI	71	-	71	2,059	-	2,059
G.W. Publications	-	-	-	1,663	-	1,663
Online expense	-	-	-	-	-	-
Royalty expense - Cengage	7,545	-	7,545	72,303	-	72,303
CI Mentor contract labor	-	-	-	-	-	-
CI mentor	-	-	-	-	-	-
Depreciation	10	-	10	38	-	38
<b>TOTAL EXPENSES</b>	<b>262,894</b>	<b>-</b>	<b>262,894</b>	<b>1,030,738</b>	<b>-</b>	<b>1,030,738</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 50,797</b>	<b>\$ -</b>	<b>\$ 50,797</b>	<b>\$ 395,352</b>	<b>\$ -</b>	<b>\$ 395,352</b>

SEE ACCOMPANYING ACCOUNTANT'S REPORT